

# Considerations for Value-Added Products

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## Session Objectives

- Participants will learn the different ways that value is added to raw farm products
- Participants will understand the potential challenges and benefits of adding value to farm products
- Participants will learn of informational resources related to adding value to farm products



# Adding value to farm products involve both challenges and benefits.

Simple ----- Complex

Easy ----- Difficult

Obvious ----- Obscure

Free ----- Costly



## Let's Start with a Few Questions:

Is the selling of raw products the best way to generate income for the farmer?

Are there enough customers to purchase all the raw products a farmer plans to produce?

Would adding value to raw products through some level of processing be beneficial to the farm business?



## What is the definition of value adding?

In general, adding value is the process of changing a product from its original state to a more valuable state.

A broad definition of value added is to economically add value to a product by changing its current place, time and from one set of characteristics to other characteristics that are more preferred in the marketplace.

From [agmrc.org](http://agmrc.org)



## Challenges to Adding Value

Risk

Time

Management

Labor

Equipment

Energy

Water

Waste

Packaging

Labeling

Processing space

Financial capital

Extending credit

Storage space

Competition

Product liability

Distribution

Intellectual properties

Regulations



## Benefits to Adding Value

Cash flow  
Piece/pound  
New markets

Competition  
Workforce  
Family & Farm Transition  
Facility rental



## Steps to adding value to one or more farm products

1. Create an outstanding product
2. Do your homework
3. Push a pencil
4. Talk to others
5. Modify your business plan
6. Create a checklist





This presentation is based on the fact sheet  
“Considerations for adding value  
to agricultural products in Maine”

<https://extension.umaine.edu/publications/1062e/>



## Informational resources for adding value to a farm product(s)

### Value Added Resources ATTRA

<https://attra.ncat.org/topics/value-added/>

### Adding Value to Farm Products – An Overview (ATTRA Publication)

<https://attra.ncat.org/product/adding-value-to-farm-products-an-overview/>

### Direct Marketing & Value-Added Products (University of Maryland Extension Publication)

<https://extension.umd.edu/resource/direct-marketing-and-value-added-products>

### Market Planning for Value-Added Products (New Hampshire Coalition for Sustainable Agriculture Publication) *This publication includes helpful worksheets.*

[http://www.cdi.coop/wp-content/uploads/2014/03/Resource000022\\_Rep22.pdf](http://www.cdi.coop/wp-content/uploads/2014/03/Resource000022_Rep22.pdf)

### Resources for Food Entrepreneurs (University of Maine Cooperative Extension Website) <https://extension.umaine.edu/business/specialty-foods/>

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